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13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION
15

16 In Re:
17 PG&E CORPORATION,
18 -and-

19 PACIFIC GAS AND ELECTRIC
20 COMPANY,
21 Debtors.

22 ☐ Affects PG&E Corporation
23 ☐ Affects Pacific Gas and Electric
Company
24 ☒ Affects both Debtors
* All papers shall be filed in the lead
case, No. 19-30088 (DM)

Case No. 19-30088 (DM)
Chapter 11
(Lead Case)
(Jointly Administered)

**JOINDER TO RESPONSE OF THE
OFFICIAL COMMITTEE OF TORT
CLAIMANTS TO OBJECTIONS TO
TRUST DOCUMENTS**

25
26 The undersigned are members of the Consenting Fire Claimant Professional
27 Group, who collectively represent over 70% of the fire victim claimants, hereby join
28 the Response of the Official Committee of Tort Claimants (TCC) to the Objections

1 filed by Adventist Health and other entities to Trust Documents. The undersigned
2 represent over 280 business entities in this case. Enabling a handful of business to
3 rewrite the claims process to meet their own objectives would subvert the goals of
4 this Plan.

5 **I. INTRODUCTION**

6 Objectors Adventist Health, AT&T, Comcast and Paradise Entities object to
7 the Claims Resolution Process and to the establishment of the Fire Victims Trust
8 under the stated guise of vindicating Fire Victim rights. That is not what's going on
9 here. In truth, a handful of objectors (out of 80,000) seek tactical leverage to extract
10 larger sums of money from the estate and are readily willing to sacrifice speed and
11 certainty to the detriment of all other fire victims. These objectors have
12 demonstrated by their conduct what would happen if permitted to hold up a
13 negotiated plan administration process with repeated trips to court. Regardless of
14 motive, a determined handful will delay compensation for all others. That is precisely
15 the outcome this Plan seeks to avoid, and the objections should be overruled.

16 **II. GRANTING THE RELIEF SOUGHT HERE WOULD UNDERMINE THE** 17 **GOAL OF FAIR AND EXPEDITIOUS COMPENSATION TO FIRE** 18 **VICTIMS**

19 The Fire Victims Trust presents the best solution to the logistical challenge of
20 expeditiously adjudicating over 80,000 fire claims while meeting the outcome of fair
21 and equitable treatment for all claimants. Enabling all claims to proceed through a
22 capped settlement trust, and then coming back to court for *de novo* review is the
23 surefire way to prevent that outcome.

24 In practice, every claim for which the Court grants *de novo* review could
25 potentially alter the allocation budget for each damage claim category, diminishing
26 the monies in the Trust that are available to compensate victims. As a result, while
27 judicial review is pending, no other similar claims can be paid, for fear that an
28 inconsistent decision is rendered at the trial or appellate level. The capped
settlement Trust will come to a halt, while objectors position themselves for a

1 seemingly better outcome. Such delay for the fire victims who have lost everything
2 will be devastating.

3 **III. THE COLLATERAL SOURCE RULE DOES NOT APPLY HERE, AND**
4 **WOULD ENABLE DOUBLE RECOVERY FOR THESE OBJECTORS**

5 Objectors contend that the insurance provisions in the Trust Documents
6 violate the collateral source rule. California law provides otherwise. The collateral
7 source rule is inapplicable here for two reasons: (1) the insurers have filed
8 subrogation claims; and (2) the underlying policy considerations do not support the
9 application of the Rule in the context of a limited fire victim trust fund.

10 First, when the insurance carrier becomes subrogated to the claim of an
11 insured against a third-party tortfeasor, the payment of insurance proceeds is no
12 longer a collateral source. *Miller v. Ellis* (2002) 103 CA4th 373, 379, 126 CR2d 667.
13 The rationale is clear; the tortfeasor should not pay both the injured plaintiff (who
14 received insurance proceeds) and the injured plaintiff's insured again for those same
15 proceeds. This would be a double payment.

16 Second, the policy rationale of the collateral source rule is absent in the
17 context of a fixed amount of compensation available to satisfy all claims. The Plan
18 contemplates \$13.5 billion to fund the FVT and satisfy over 80,000 fire victim claims.
19 With limited funds available, the claims administration process must account for
20 insurance payments received or payable in order to preserve the available funds for
21 uncovered claims. Otherwise, the entire class of fire victims is unlikely to be made
22 whole for their damages.

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1 **IV. CONCLUSION**

2 There is no legal basis to enable these objectors to stall the recovery and
3 compensation process for all other fire victims. The undersigned respectfully request
4 these Objections be overruled.

5 Dated: May 12, 2020

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